

Consent of Independent Auditors

The Board of Directors and Stockholders of
Telewest Communications plc:

We consent to the incorporation by reference in the registration statement on Form S-4 of AT&T Corp. of our report, dated March 19, 1998, relating to the consolidated balance sheet of Telewest Communications plc and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the December 31, 1997 Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Telecommunications, Inc., and to the reference to our firm under the heading "Experts" in the registration statement.

/s/ KPMG AUDIT PLC
KPMG Audit Plc
Chartered Accountants
Registered Auditors

London, England
January 7, 1999

EXHIBIT 23.12

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of AT&T Corp. on Form S-4 of our report dated February 3, 1998, on the consolidated financial statements of Sprint Spectrum Holding Company, L.P. and subsidiaries (which expresses an unqualified opinion and includes an explanatory paragraph referring to the emergence from the developmental stage of Sprint Spectrum Holding Company, L.P. and subsidiaries) appearing in the Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc. for the year ended December 31, 1997, and to the reference to us under the heading "Experts" in this Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
January 7, 1999

EXHIBIT 23.13

Consent of Independent Auditors

The Board of Directors and Stockholders
Tele-Communications, Inc.:

We consent to the incorporation by reference in the registration statement on Form S-4 of AT&T Corp. of our report, dated March 20, 1998, except for notes 2 and 14 which are as of September 14, 1998 and January 6, 1999, respectively, relating to the combined balance sheets of Liberty/Ventures Group as of December 31, 1997 and 1996, and the related combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the Current Report on Form 8-K of Tele-Communications, Inc., dated January 7, 1999, and to the reference to our firm under the heading "Experts" and "Selected Historical Financial Information" in the registration statement.

/s/ KPMG LLP
KPMG LLP

Denver, Colorado
January 7, 1999

EXHIBIT 24.01

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is both a director and an officer of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as both a director and an officer of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ C. MICHAEL ARMSTRONG

C. Michael Armstrong
Chairman and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is an officer of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as an officer of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ DANIEL E. SOMERS

Daniel E. Somers
Senior Executive Vice President
and Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is an officer of the Company, as indicated below her signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for her and in her name, place and stead, and in her capacity as an officer of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 7th day of January, 1999.

/s/ NICHOLAS S. CYPRUS

Nicholas S. Cyprus
Controller and Chief Accounting Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ KENNETH T. DERR

Kenneth T. Derr
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below her signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for her and in her name, place and stead, and in her capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ M. KATHRYN EICKHOFF

M. Kathryn Eickhoff
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 17th day of November, 1998.

/s/ WALTER Y. ELISHA

Walter Y. Elisha
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 1st day of December, 1998.

/s/ GEORGE M.C. FISHER

George M.C. Fisher
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ DONALD V. FITES

Donald V. Fites
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ RALPH S. LARSEN

Ralph S. Larsen
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ DONALD F. MCHENRY

Donald F. McHenry
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 18th day of November, 1998.

/s/ MICHAEL I. SOVERN

Michael I. Sovern
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 17th day of November, 1998.

/s/ SANFORD I. WEILL

Sanford I. Weill
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 17th day of November, 1998.

/s/ THOMAS H. WYMAN

Thomas H. Wyman
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, AT&T CORP., a New York corporation (hereinafter referred to as the "Company"), proposes to file with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, a registration statement on Form S-4 with respect to common shares to be issued in connection with the merger of a wholly owned subsidiary of the Company with and into Tele-Communications, Inc.; and

WHEREAS, the undersigned is a director of the Company, as indicated below his signature:

WHEREAS, the undersigned hereby constitutes and appoints Daniel E. Somers and Marilyn J. Wasser, and each of them, as attorneys for him and in his name, place and stead, and in his capacity as a director of the Company, to execute and file such registration statement with respect to the above-described common shares, and thereafter to execute and file any amended registration statement or statements with respect thereto, hereby giving and granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 17th day of November, 1998.

/s/ JOHN D. ZEGLIS

John D. Zeglis
Director

EXHIBIT 99.01

Special Merger Meeting Agenda

[LOGO] AT&T

7:00 a.m.	Doors Open
8:00	Welcome, Chairman's Remarks, Notice of Meeting, Discussion, and Voting
10:00	Voting Results and Adjournment

Hearing-amplification equipment and sign interpretation will be available.

DIRECTIONS TO EXPOSITION CENTER

1) FROM NORTH (NJ Turnpike South)

When Turnpike divides, use Eastern Spur toward Lincoln Tunnel. Take Exit 17. After toll, the road divides. Stay to right and follow the sign to Secaucus/Lincoln Tunnel/Route 3. About 1/2 mile from Turnpike exit, you will approach a four-lane traffic light. Stay in middle lanes and continue past light. Go over bridge onto Harmon Meadow Blvd. Go to first traffic light and make a right onto Plaza Drive. The Exposition Center is on the left.

2) FROM SOUTH (Newark Airport/NJ Turnpike North)

When Turnpike divides, use Eastern Spur toward Lincoln Tunnel. Take Exit 16E. After toll, the road divides. Stay to left and follow sign to NJ Rt. 3/Secaucus. About 1/2 mile from Turnpike exit, you will approach a four-lane traffic light. Stay in middle lanes and continue past light. Go over bridge onto Harmon Meadow Blvd. Go to first traffic light and make a right onto Plaza Drive. The Exposition Center is on the left.

3) FROM LINCOLN TUNNEL

Stay on I-495 to Route 3 West (DO NOT TAKE THE NJ TURNPIKE). Move to right lane on Route 3 to Service Road Exit. Make a right at second exit for Millcreek Mall (at the Exxon Station on the corner). Follow exit (Caldor and Millcreek Mall will be on your left). At the second stop sign, turn right and go to first traffic light. Make a left. The Exposition Center is on the left.

4) FROM WEST (Route 3 East)

Follow Route 3 East just past the Secaucus/NJ Turnpike sign. Turn right after underpass and exit at Harmon Meadow Blvd. Go to first traffic light and make a right onto Plaza Drive. The Exposition Center is on the left.

5) FROM GARDEN STATE PARKWAY

NORTH: Take Exit 153 to Route 3 East and follow directions in No. 4.
SOUTH: Take Exit 153A to Route 3 East and follow directions in No 4.

[MAP]

NOTE: The Meadowlands Exposition Center is located 2 miles east of the Meadowlands Sports Complex. Because this is a congested area, please allow extra travel time. Public parking is available adjacent to the Center. Public transportation is available by NJ Transit Bus from New York Port Authority Bus Terminal. Dial 212 564-8484 (between 10:00 a.m. and 10:00 p.m. local time) for most current departure information.

P R O X Y

AT&T Corp. [LOGO] AT&T
32 Avenue of the Americas, New York, NY 10013-2412

This proxy is solicited on behalf of
the Board of Directors for the Special Merger Meeting on February 17, 1999

The undersigned hereby appoints C.M. Armstrong, M.I. Sovern, and T.H. Wyman and each of them, proxies, with the powers the undersigned would possess if personally present, and with full power of substitution, to vote all common shares of the undersigned in AT&T Corp. at the Special Merger Meeting of shareholders to be held at the Meadowlands Exposition Center in Secaucus, New Jersey, at 8:00 a.m. on February 17, 1999, and at any adjournment thereof, upon all subjects that may properly come before the meeting, including the matters described in the proxy statement/prospectus furnished with the proxy card, subject to any directions indicated on the other side of the proxy card. If no directions are given, the proxies will vote in accord with the Directors' recommendations on the subjects listed on the other side of the proxy card.

This card also provides voting instructions for shares held in the dividend reinvestment plan and, if registrations are identical, shares held in the various employee stock purchase and savings plans as described in the proxy statement/prospectus. Please sign on the other side and return promptly to AT&T Corp., c/o Proxy Services, P.O. Box 9390, Boston, MA 02205-9968. If you do not sign and return a proxy card, vote by telephone or Internet, or attend the meeting and vote by ballot, your shares cannot be voted.

<PAGE>

[LOGO] AT&T

AT&T Corp.
c/o Proxy Services
P.O. Box 9398
Boston, MA 02205

Special Merger Meeting of Shareholders
Wednesday, February 17, 1999
8:00 a.m. local time
Meadowlands Exposition Center
(Not the Sports Complex)
355 Plaza Drive
Secaucus, New Jersey
Tel: 201-223-4000
(Map on reverse)

1999 SPECIAL
MERGER MEETING
ADMISSION TICKET

Please present this ticket for admittance of shareholder(s) named above.
Admittance will be based upon availability of seating.

VOTE BY TELEPHONE OR INTERNET

Your telephone or Internet vote authorizes the Proxy Committee to vote your shares in the same manner as if you marked, signed, and returned your proxy card. For telephone or Internet voting, you will need to enter the 9-digit Control Number located above your name and address in the lower left of this form.

VOTE BY PHONE: CALL TOLL-FREE ON A TOUCH-TONE TELEPHONE 1-800-273-1174 ANYTIME.

- Option A: To vote as the Board of Directors recommends on BOTH items, press 1.
Option B: If you prefer to hear your voting choices, press 0. You will hear these instructions:

Item 1: To vote FOR, press 1; AGAINST, press 9; ABSTAIN, press 0.
Item 2: To vote FOR, press 1; AGAINST, press 9; ABSTAIN, press 0.

When asked, you must confirm your vote by pressing 1.

VOTE BY INTERNET: THE WEB ADDRESS IS <http://att.proxyvoting.com>

THANK YOU FOR VOTING

DETACH CARD IF MAILING

[X] Please mark
votes as in
this example.

Your Board of Directors unanimously recommends a vote "FOR" items 1 and 2.

- | | | | | |
|----|--|------------|----------------|----------------|
| 1. | To approve a charter amendment and the issuance of shares in connection with the merger of a subsidiary of AT&T Corp. with Tele-Communications, Inc. | FOR
[] | AGAINST
[] | ABSTAIN
[] |
| 2. | In the event that any other matter may properly come before the meeting, or any adjournment thereof, the Proxy Committee is authorized, at their discretion, to vote the matter. | FOR
[] | AGAINST
[] | ABSTAIN
[] |

MARK HERE IF YOU []
PLAN TO ATTEND
THE SPECIAL
MERGER MEETING.

Signature(s):

Date

Please sign this proxy as name(s) appears above and return it promptly whether or not you plan to attend the meeting. If signing for a corporation or partnership or as agent, attorney or fiduciary, indicate the capacity in which you are signing. If you do attend the meeting and decide to vote by ballot, such vote will supersede this proxy.

EXHIBIT 99.02

TELE-COMMUNICATIONS, INC.
POST OFFICE BOX 5630
DENVER, CO 80217

TELE-COMMUNICATIONS, INC.
[DESCRIPTION OF SERIES OF STOCK]

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints John C. Malone and Stephen M. Brett as Proxies, each with full power to act without the other and each with the power to appoint his substitute, and hereby authorizes each of them to represent and to vote, as designated on the reverse side hereof, all the shares of the above-referenced capital stock of Tele-Communications, Inc. ("TCI") held of record by the undersigned on December 31, 1998 at the Special Meeting of TCI to be held on February 17, 1999 or any adjournment or postponement thereof upon the proposals identified on the reverse side hereof and more fully described in the Notice of Special Meeting of Shareholders and Proxy Statement/Prospectus relating to the Special Meeting, receipt of each of which is hereby acknowledged. The undersigned hereby revokes all proxies previously given with respect to the voting of such stock at the Special Meeting.

This Proxy when properly executed will be voted in the manner directed herein by the undersigned shareholder.

IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS
1, 2 AND 3.

(Continued, and to be signed and dated on reverse side.)

TELE-COMMUNICATIONS, INC.
P.O. BOX 11030
NEW YORK, N.Y. 10203-0030

<PAGE>

1. Proposal to approve and adopt an amendment to the TCI Charter to combine the Liberty Media Group and the TCI Ventures Group by (i) reclassifying each share of TCI Ventures Group Tracking Stock as 0.52 of a share of the corresponding series of Liberty Media Group Tracking Stock, (ii) amending the definition of the Liberty Media Group, (iii) providing that the number of authorized shares of Liberty Media Group Stock will be equal to the sum of the previously authorized number of shares of Liberty Media Group Tracking Stock and TCI Ventures Group Tracking Stock, and (iv) making certain other conforming changes to the TCI Charter.

FOR [] AGAINST [] ABSTAIN []

2. Proposal to approve and adopt an amendment to the TCI Charter to increase the number of authorized shares of Liberty Media Group Series A Tracking Stock to 2,500,000,000 and the number of authorized shares of Liberty Media Group Series B Tracking Stock to 250,000,000 if the Liberty/Ventures combination is approved.

FOR [] AGAINST [] ABSTAIN []

3. Proposal to approve and adopt the Merger Agreement among TCI, AT&T Corp. and Italy Merger Corp.

FOR [] AGAINST [] ABSTAIN []

4. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Special Meeting.

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Address change and/or comments mark here []

Please sign exactly as name appears hereon. When shares are held by joint tenants, both should sign. When signing as attorney, as executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Dated: _____ 199__

Signature

Signature if held jointly

Please Mark, Sign, Date and Return the Proxy Card Promptly Using the Enclosed Envelope.
</TABLE>

Votes MUST be indicated by an (x) in black or blue ink.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4**REGISTRATION STATEMENT****UNDER****THE SECURITIES ACT OF 1933****AT&T Corp.**

(Exact name of Registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

4811
(Primary Standard Industrial
Classification Code Number)

13-4924710
(I.R.S. Employer
Identification No.)

32 Avenue of the Americas, New York, New York, 10013-2412 (212) 387-5400
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Marilyn J. Wasser, Esq.
Vice President—Law and Secretary
AT&T Corp.

295 North Maple Avenue
Basking Ridge, NJ 07920
(908) 221-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications to:

Steven A. Rosenblum, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
(212) 403-1000

Stephen M. Brett, Esq.
Tele-Communications, Inc.
Terrace Tower II
5619 DTC Parkway
Englewood, Colorado 80111
(303) 267-5500

Frederick H. McGrath, Esq.
Baker & Botts, L.L.P.
599 Lexington Avenue
New York, New York 10022
(212) 705-5000

Approximate date of commencement of proposed sale to public: As soon as practicable after the effective time of the Registration Statement and the effective time of the merger (the "Merger") of a subsidiary of AT&T Corp. with and into Tele-Communications, Inc., as described in the Agreement and Plan of Restructuring and Merger, dated as of June 23, 1998 (the "Merger Agreement"), attached as Appendix A to the Proxy Statement/Prospectus forming a part of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$1.00 per share	499,876,427 Shares(1)	(2)	\$34,720,676,225(3)	\$ 9,652,348(3)
Class A Liberty Media Group Common Stock, par value \$1.00 per share	604,502,284 Shares(4)	(2)	\$26,624,435,660(5)	\$ 7,401,594(5)
Class B Liberty Media Group Common Stock, par value \$1.00 per share	56,720,431 Shares(6)	(2)	\$ 2,588,611,076(7)	\$ 719,634(7)
Total			\$63,933,722,961	\$17,773,576(8)

- (1) Based upon the sum of (i) 400,444,373, the product of (a) 516,236,138, the total number of shares of Series A TCI Group common stock, par value \$1.00 per share, of Tele-Communications, Inc. ("TCI") (including 42,579,131 shares issuable pursuant to certain outstanding options, convertible securities and other rights, whether or not currently exercisable ("rights"), to acquire TCI Group Series A Shares) ("TCI Group Series A Shares") and (b) 0.7757, the TCI Group Class A Exchange Ratio (as defined in the attached Merger Agreement); (ii) 54,990,230, the product of (a) 64,444,193, the total number of shares of Series B TCI Group common stock, par value \$1.00 per share, of TCI ("TCI Group Series B Shares") and (b) 0.8533, the TCI Group Class B Exchange Ratio (as defined in the attached Merger Agreement); (iii) 4,490,818, the product of (a) 43,575, the total number of outstanding shares of Convertible Preferred Stock, Series C-TCI Group, par value \$0.01 per share, of TCI ("Series C-TCI Group Shares") and (b) 103.059502, the Series C-TCI Group Preferred Exchange Ratio (as defined in the attached Merger Agreement); (iv) 5,948,573, the product of (a) 6,444,244, the total number of outstanding shares of Redeemable Convertible TCI Group Preferred Stock, Series G, par value \$0.01 per share, of TCI ("Series G Shares") and (b) 0.923083, the Series G Preferred Ratio (as defined in the attached Merger Agreement); (v) 7,561,059, the product of (a) 4,600,000, the total number of outstanding shares of Series A Preferred Stock, par value \$0.01 per share, of TCI Communications, Inc. ("TCIC Series A Shares") and (b) 1.6437083, the product of (1) 2.119, the ratio for which TCIC Series A Shares are convertible into TCI Group Series A Shares and (2) 0.7757, the TCI Group Class A Exchange Ratio; and (vi) 26,441,374, the product of (a) 6,257,961, the total number of outstanding shares of Class A Senior Cumulative Exchangeable Preferred Stock, par value \$100 per share, of TCI Pacific Communications, Inc. ("TCI Pacific Class A Shares") and (b) 4.2252379, the product of (1) 5.447, the ratio for which TCI Pacific Class A Shares are convertible into TCI Group Series A Shares and (2) 0.7757, the TCI Group Class A Exchange Ratio.
- (2) Not applicable.
- (3) Estimated solely for the purpose of calculating the registration fee. The registration fee was computed pursuant to Rules 457(f)(1), 457(f)(2) and 457(c) under the Securities Act of 1933, as amended (the "Securities Act"), by calculating the sum of (i) 28,280,086,747, the product of (a) \$54.7813, the average of the high and low prices of the TCI Group Series A Shares on the Nasdaq National Market tier of The Nasdaq Stock Market ("NASDAQ"), on December 31, 1998, as reported in published financial sources, and (b) 516,236,138, the total number of TCI Group Series A Shares (including rights); (ii) 3,931,095,773, the product of (a) \$61, the average of the high and low prices of the TCI Group Series B Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 64,444,193, the total number of TCI Group Series B Shares; (iii) \$85,732,737, the book value of the Series C-TCI Group Shares as of December 31, 1998; (iv) \$141,515,966, the book value of the Series G Shares as of December 31, 1998; (v) 517,500,000, the product of (a) \$112.50, the average of the bid and ask prices of the TCIC Series A Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 4,600,000, the total number of TCIC Series A Shares; and (vi) 1,764,745,002, the product of (a) \$282, the average of the bid and ask prices of the TCI Pacific Class A Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 6,257,961, the total number of TCI Pacific Class A Shares. The sum of 34,720,676,225 was then multiplied by .000278.
- (4) Based upon the sum of (i) 383,360,787, the total number of shares of Series A Liberty Media Group common stock, par value \$1.00 per share, of TCI (including 47,686,063 shares issuable pursuant to certain rights to acquire Liberty Group Series A Shares) ("Liberty Group Series A Shares"); (ii) 213,294,321, the product of (a) 410,181,386, the total number of shares of Series A TCI Ventures Group common stock, par value \$1.00 per share, of TCI (including 32,989,606 shares issuable pursuant to certain rights to acquire Ventures Group Series A Shares) ("Ventures Group Series A Shares") and (b) 0.52, the TCI Ventures Class A Exchange Ratio (as defined in the attached Merger Agreement); (iii) 3,969,844, the product of (a) 70,575, the total number of outstanding shares of Convertible Preferred Stock, Series C-Liberty Media Group, par value \$0.01 per share, of TCI ("Series C-Liberty Media Group Shares") and (b) 56.25, the Series C-Liberty Media Exchange Ratio (as defined in the attached Merger Agreement); and (iv) 3,877,332, the product of (a) 6,564,794, the total number of outstanding shares of Redeemable Convertible Liberty Media Group Preferred Stock, Series H, par value \$0.01 per share, of TCI ("Series H Shares") and (b) 0.590625, the Series H Preferred Ratio (as defined in the attached Merger Agreement).
- (5) Estimated solely for the purpose of calculating the registration fee. The registration fee was computed pursuant to Securities Act Rules 457(f)(1), 457(f)(2) and 457(c) by calculating the sum of (i) 17,143,434,362, the product of (a) \$44.7188, the average of the high and low prices of the Liberty Group Series A Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 383,360,787, the total number of Liberty Group Series A Shares (including rights); (ii) 9,408,535,542, the product of (a) \$22.9375, the average of the high and low prices of the Ventures Group Series A Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 410,181,386, the total number of Ventures Group Series A Shares (including rights); (iii) \$36,425,009, the book value of the Series C-Liberty Media Group Shares as of December 31, 1998; and (iv) \$36,040,747, the book value of the Series H Shares as of December 31, 1998. The sum of 26,624,435,660 was then multiplied by .000278.
- (6) Based upon the sum of (i) 31,698,895, the total number of outstanding shares of Series B Liberty Media Group common stock, par value \$1.00 per share, of TCI ("Liberty Group Series B Shares") and (ii) 25,021,536, the product of (a) 48,118,338, the total number of shares of Series B TCI Ventures Group common stock, par value \$1.00 per share, of TCI (including 2,800,000 shares issuable pursuant to certain rights to acquire Ventures Group Series B Shares) ("Ventures Group Series B Shares") and (b) 0.52, the TCI Ventures Class B Exchange Ratio (as defined in the attached Merger Agreement).
- (7) Estimated solely for the purpose of calculating the registration fee. The registration fee was computed pursuant to Securities Act Rules 457(f)(1) and 457(c) by calculating the sum of (i) 1,484,896,698, the product of (a) \$46.8438, the average of the high and low prices of the Liberty Group Series B Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 31,698,895, the number of outstanding Liberty Group Series B Shares and (ii) 1,103,714,378, the product of (a) \$22.9375, the average of the high and low prices of the Ventures Group Series B Shares on NASDAQ, on December 31, 1998, as reported in published financial sources, and (b) 48,118,338, the total number of Ventures Group Series B Shares (including rights). The sum of 2,588,611,076 was then multiplied by .000278.
- (8) Pursuant to Rule 0-11(a)(2) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the total registration fee of \$17,773,576 was reduced in amount by \$8,727,249, the filing fee paid by the Registrant pursuant to Exchange Act Rule 0-11 in connection with the filing of the preliminary proxy materials of the Registrant and TCI with the Securities and Exchange Commission (the "Commission") on October 16, 1998.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.



PROXY STATEMENT/PROSPECTUS

THE MERGER OF AT&T AND TCI

Local Telephone Service

Long-Distance Service

Wireless/Cellular Service

High-Speed Internet Access

Cable TV/Entertainment

VOTE NOW!



C. Michael Armstrong
Chairman of the Board

32 Avenue of the Americas
New York, NY 10013-2142
212 644-1000

January 8, 1999

Dear AT&T Shareowner:

As part of our strategic plans for AT&T, we are working on several fronts to expand our business and our potential in the marketplace. I am writing you today about an important part of our plans.

As you know, AT&T has agreed to acquire Tele-Communications, Inc., one of the largest cable television providers in the country. By merging with TCI, we plan to create an advanced broadband network that can deliver an array of communications, entertainment and information services directly to millions of U.S. households, all under the AT&T brand name. We consider this a critical step toward our goal of becoming the "total communications source" for our customers—supplying complete packages of local telephone, long-distance, wireless, Internet, entertainment and next-generation digital services.

Before we can go ahead with this merger, the shareowners of AT&T must vote on the specific proposal that will allow the merger to take place. This proposal approves the issuance of shares of AT&T common stock and the creation and issuance of a new class of AT&T common shares, New Liberty Media Group tracking stock, in the merger. AT&T common stock is listed on The New York Stock Exchange under the symbol "T" and we expect to list the New Liberty Media Group tracking stock on The New York Stock Exchange. We are very excited by the opportunities we see in merging with TCI, so we are urging you to vote **FOR** the proposal explained in the enclosed proxy statement/prospectus. **Your Board of Directors has carefully studied the terms and conditions of the merger, and unanimously recommends that you approve the proposal.**

You should also carefully consider the risk factors relating to the merger that we describe starting on page 21 of this proxy statement/prospectus.

TO VOTE YOUR SHARES, you may use the enclosed proxy card, vote by telephone or via the Internet, or attend a special shareowner meeting that will be held for this important vote. The special meeting will be held on Wednesday, February 17, 1999, at 8:00 a.m., at the Meadowlands Exposition Center, 355 Plaza Drive, Secaucus, New Jersey.

YOUR VOTE IS VERY IMPORTANT. To vote **FOR** the proposal, you must cast a "yes" vote by following the instructions stated on the enclosed proxy card or given over the telephone or via the Internet. *If you do not vote at all, it will, in effect, count as a vote against the proposal.*

We believe this merger will enhance AT&T's long-standing position as a leader in the industry and offer us opportunities to expand our business in exciting new ways. We urge you to vote **FOR** this proposal, an important step in the move ahead for your AT&T.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Armstrong", written over a horizontal line.

C. MICHAEL ARMSTRONG
Chairman of the Board and
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of AT&T common stock or New Liberty Media Group tracking stock to be issued in the merger, or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where such an offer or solicitation would be illegal.

This proxy statement/prospectus is dated January 8, 1999, and was first mailed to AT&T shareholders on January 11, 1999.



January 8, 1999

Dear Shareholder:

TCI has agreed to be acquired by AT&T Corp. in a merger transaction in which the holders of TCI Group stock will receive shares of AT&T common stock and holders of Liberty Media Group stock and TCI Ventures Group stock will receive shares of a new class of common stock of AT&T that we refer to as New Liberty Media Group tracking stock. In addition, the Board of Directors has approved a plan to combine the Liberty Media Group and the TCI Ventures Group in a transaction in which the holders of TCI Ventures Group stock would become holders of Liberty Media Group stock. Finally, the Board of Directors has approved amendments to the charter to increase the authorized shares of Liberty Media Group tracking stock if the Liberty Media Group and the TCI Ventures Group are combined. The combination and the increase in the number of authorized shares would occur irrespective of whether the merger with AT&T is approved or completed.


Before we can proceed with the merger, the combination or increase the number of authorized shares, the shareholders of TCI must vote in favor of these proposals. Each of these proposals is described in detail in the accompanying proxy statement/prospectus, which I urge you to read carefully.

The Board of Directors, acting upon the recommendation of a special committee, has approved each of these proposals and unanimously recommends that the shareholders vote **FOR** such proposals. We have scheduled a special meeting of our shareholders to vote on these proposals. You may vote on these proposals at the special meeting in person or by using the enclosed proxy card. The special meeting will be held at TCI's National Digital Television Center, 4100 East Dry Creek Road, Littleton, Colorado, on February 17, 1999 at 10:00 a.m.

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to complete and return the accompanying proxy card. If you sign and mail the proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of both proposals. **If you do not return your proxy card or vote in person at the special meeting, the effect will be the same as a vote against each of the proposals.**

You should carefully consider the risk factors beginning on page 21 of this proxy statement/prospectus.

Sincerely,


JOHN C. MALONE
*Chairman of the Board and
Chief Executive Officer*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of AT&T common stock or New Liberty Media Group tracking stock to be issued in the merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where such an offer or solicitation would be illegal.

This proxy statement/prospectus is dated January 8, 1999, and was first mailed to shareholders on January 11, 1999.

AT&T CORP.
32 Avenue of the Americas
New York, New York 10013-2412

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on Wednesday, February 17, 1999

A special meeting of the shareholders of AT&T Corp., a New York corporation, will be held at 8:00 a.m., local time, on Wednesday, February 17, 1999, at the Meadowlands Exposition Center, 355 Plaza Drive, Secaucus, New Jersey, for the following purposes:

1. To consider and vote on the amendment to the AT&T Charter to authorize the creation of New Liberty Media Group tracking stock, and on the issuance of AT&T common stock and New Liberty Media Group tracking stock in connection with the merger of a subsidiary of AT&T with Tele-Communications, Inc.
2. To transact such other business as may properly come before the special meeting or any adjournment or postponement.

We describe these items of business more fully in the proxy statement/prospectus attached to this Notice.

Only holders of record of AT&T common stock at the close of business on December 24, 1998 are entitled to notice of, and will be entitled to vote at, the special meeting or any adjournment or postponement.

BY ORDER OF THE BOARD OF DIRECTORS

Marilyn J. Wasser
Vice President-Law and Secretary

New York, New York
January 8, 1999

To ensure that your shares are represented at the special meeting, we urge you to vote by telephone, via the Internet, or to complete, date and sign the enclosed proxy and mail it promptly in the postage-paid envelope provided, whether or not you plan to attend the special meeting in person. You can withdraw your proxy, or change your vote, at any time before it is voted by executing a later-dated proxy, by voting by ballot at the special meeting, by telephone or via the Internet, or by filing an instrument of revocation with the inspectors of election in care of the Vice-President—Law and Secretary at the above address.

TELE-COMMUNICATIONS, INC.

**Terrace Tower II
5619 DTC Parkway
Englewood, Colorado 80111-3000**

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on February 17, 1999

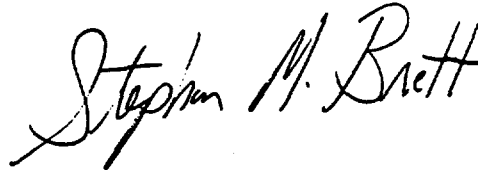
A special meeting of the shareholders of Tele-Communications, Inc., a Delaware corporation, will be held at 10 a.m., local time, on February 17, 1999 at TCI's National Digital Television Center, 4100 East Dry Creek Road, Littleton, Colorado, for the following purposes:

1. To consider and vote on a proposal to amend TCI's Restated Certificate of Incorporation, as amended, to combine the Liberty Media Group and the TCI Ventures Group, reclassify each share of TCI Ventures Group tracking stock into 0.52 of a share of Liberty Media Group tracking stock, provide that the number of authorized shares of Liberty Media Group tracking stock following the combination will be equal to the sum of the number of shares of Liberty Media Group tracking stock and TCI Ventures Group tracking stock currently authorized and amend the definition of the assets and businesses of the Liberty Media Group.
2. To consider and vote on a proposal to increase the number of authorized shares of Series A Liberty Media Group common stock to 2,500,000,000 and the number of authorized shares of Series B Liberty Media Group common stock to 250,000,000 if the Liberty/Ventures combination is approved.
3. To consider and vote on a proposal to approve the Agreement and Plan of Restructuring and Merger, dated as of June 23, 1998, among AT&T Corp., Italy Merger Corp. and TCI, under which TCI would become a wholly owned subsidiary of AT&T and holders of TCI common stock would receive AT&T common stock.
4. To transact such other business as may properly come before the special meeting or any adjournment or postponement.

We describe these items of business more fully in the proxy statement/prospectus attached to this Notice.

Holders of record at the close of business on December 31, 1998 of shares of TCI Group tracking stock, Liberty Media Group tracking stock, TCI Ventures Group tracking stock, TCI Series C-Liberty Media Group preferred stock and TCI Series C-TCI Group preferred stock will be entitled to vote at the special meeting or any adjournment or postponement. Holders of record at the close of business on December 31, 1998 of shares of TCI Class B preferred stock, TCI Series F preferred stock, TCI Series G preferred stock and TCI Series H preferred stock are entitled to notice of, but not to vote at, the special meeting. A list of shareholders entitled to vote at the special meeting will be available during ordinary business hours at TCI's offices at Terrace Tower II, 5619 DTC Parkway, Englewood, CO 80111-3000 for a period of at least 10 days prior to the special meeting for examination by any TCI shareholder entitled to vote at the special meeting for any purpose germane to the special meeting.

BY ORDER OF THE BOARD OF DIRECTORS



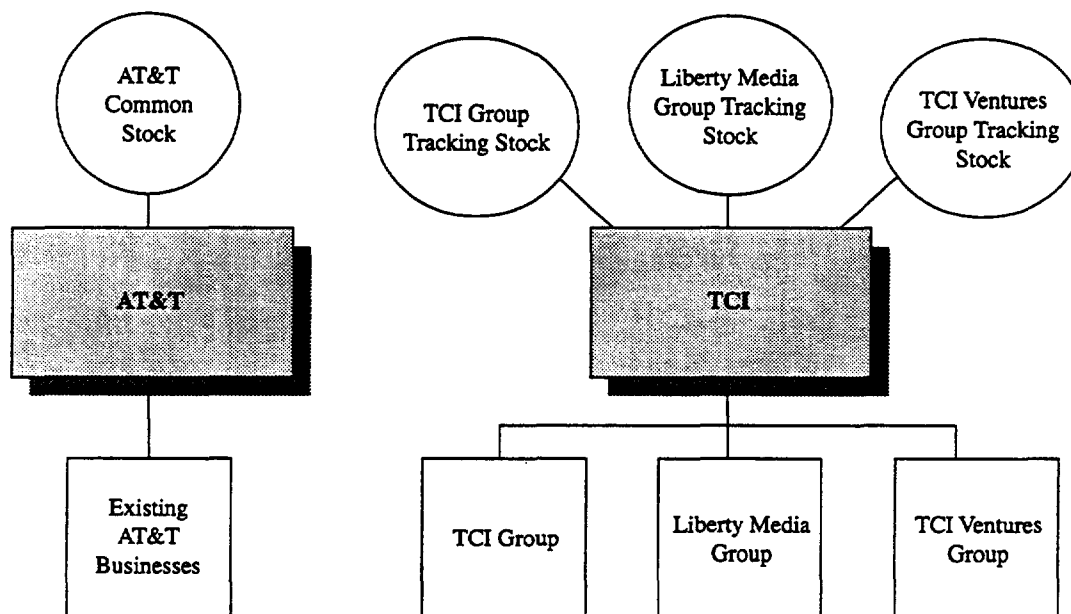
Stephen M. Brett
Secretary

Englewood, Colorado
January 8, 1999

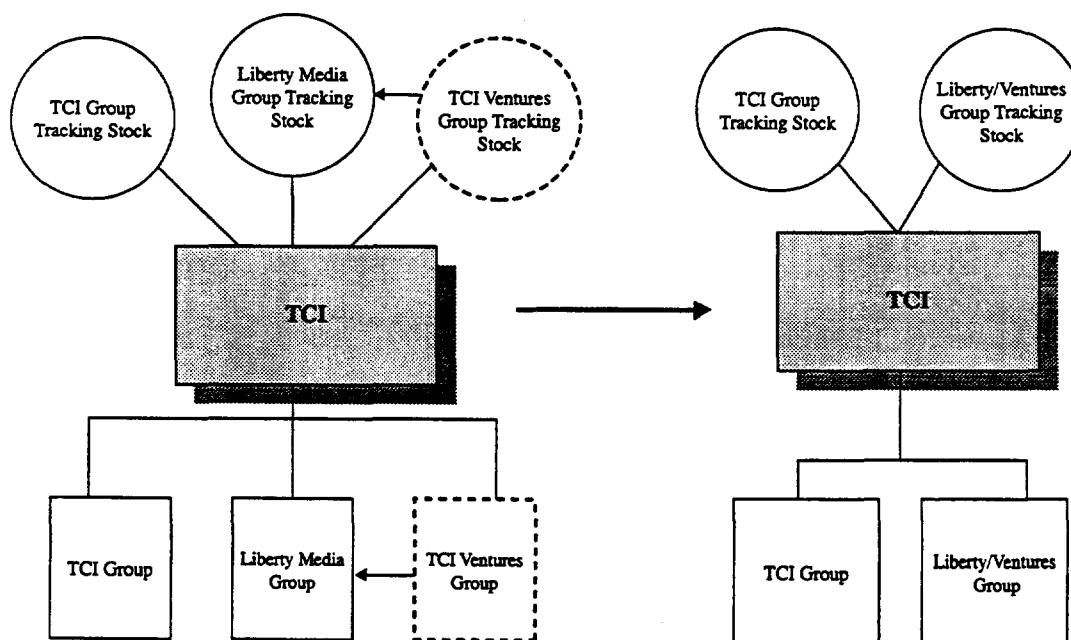
To ensure that your shares are represented at the special meeting, we urge you to complete, date and sign the enclosed proxy and mail it promptly in the postage-paid envelope provided, whether or not you plan to attend the meeting in person. You can withdraw your proxy, or change your vote, at any time before it is voted.

The following diagrams illustrate the proposed transactions in general terms and are not comprehensive. They reflect the economic substance of the transactions, but do not precisely reflect the legal and corporate entities used to implement the transactions. For a more complete description of the proposed transactions, see "The Proposed Transactions" starting on page 24 and "The Transaction Agreements—The Merger Agreement" starting on page 67.

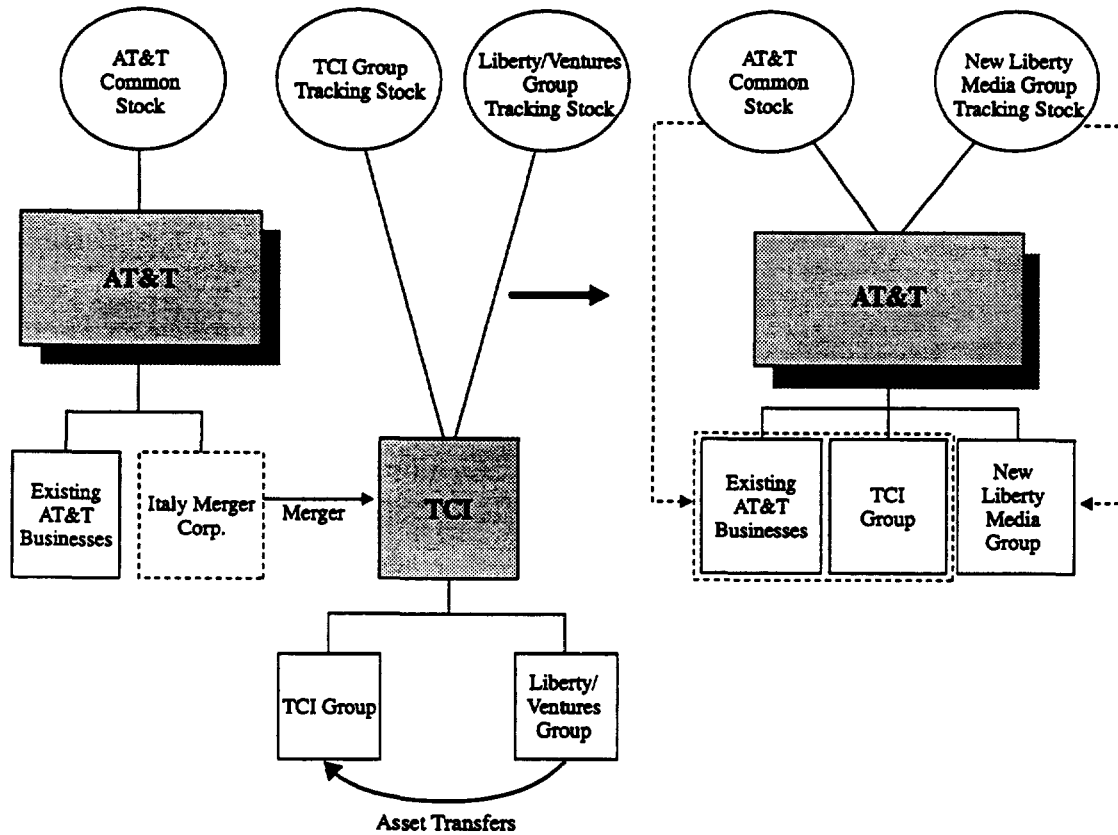
CURRENT STRUCTURE



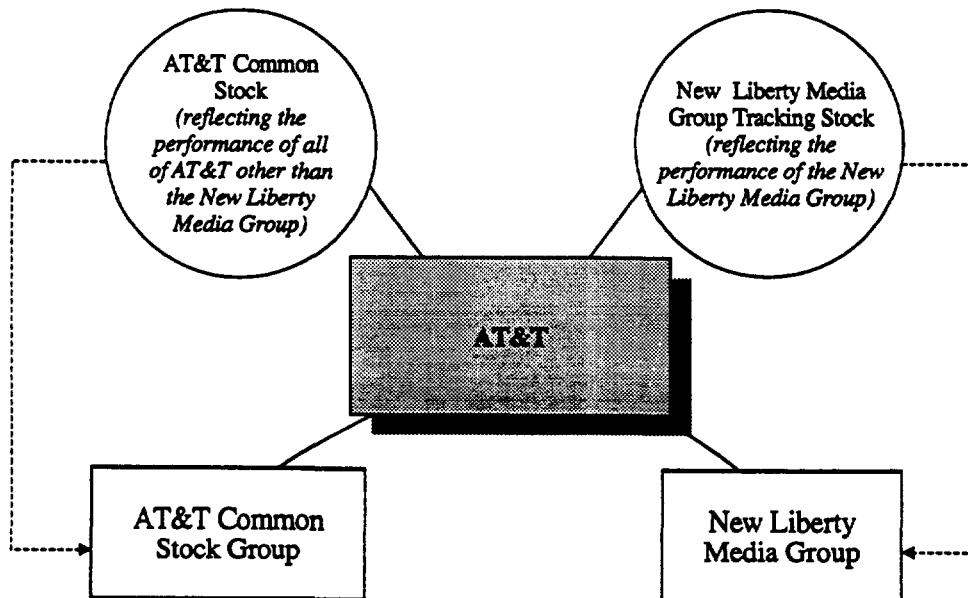
Step 1—Liberty/Ventures Combination



Step 2—Merger



POST-MERGER STRUCTURE



WHAT TCI SHAREHOLDERS WILL RECEIVE IN THE MERGER

The following charts illustrate the consideration that the holders of TCI capital stock will receive in the merger in exchange for their shares of TCI capital stock. To show the cash payments TCI holders will receive in place of fractional shares, we assume a value of AT&T common stock equal to \$70 per share and a value of New Liberty Media Group tracking stock (Class A and Class B) equal to \$40 per share. The actual cash payment will depend on trading prices after the merger.

TCI Group Tracking Stock

	<u>Number of Shares of TCI Group Tracking Stock</u>	<u>Exchange Rate</u>	<u>Number of Shares of AT&T Common Stock</u>	<u>Cash Payment in Place of a Fractional Share</u>
Series A	100	0.7757	77	\$39.90
Series B	100	0.8533	85	\$23.10

Liberty Media Group Tracking Stock

	<u>Number of Shares of Liberty Media Group Tracking Stock</u>	<u>Exchange Rate</u>	<u>Number of Shares of New Liberty Media Group Tracking Stock</u>	<u>Cash Payment in Place of a Fractional Share</u>
Series A	100	1.00	100 (Class A)	\$0
Series B	100	1.00	100 (Class B)	\$0

TCI Ventures Group Tracking Stock

Prior to the merger, TCI may combine the Liberty Media Group and the TCI Ventures Group. If the combination occurs, TCI will reclassify each share of TCI Ventures Group tracking stock into 0.52 of a share of the corresponding series of Liberty Media Group tracking stock. Each reclassified share will then become one share of New Liberty Media Group tracking stock in the merger. If the combination does not occur prior to the merger, each share of TCI Ventures Group tracking stock will be converted directly into 0.52 of a share of New Liberty Media Group tracking stock in the merger. In either event, the New Liberty Media Group will consist of the combined businesses of the current Liberty Media Group and the TCI Ventures Group, after giving effect to asset transfers that we describe in this document. Because the practical effect of either route is the same, TCI does not currently intend to complete the combination as a separate transaction if it expects the merger will occur soon after the shareholders meeting. The following assumes the exchange of TCI Ventures Group tracking stock directly in the merger.

	<u>Number of Shares of TCI Ventures Group Tracking Stock</u>	<u>Exchange Ratio</u>	<u>Number of Shares of New Liberty Media Group Tracking Stock</u>	<u>Cash Payment in Place of a Fractional Share</u>
Series A	80	0.52	41 (Class A)	\$24.00
Series B	80	0.52	41 (Class B)	\$24.00

TCI Preferred Stock

In the merger, TCI convertible preferred shares will be exchanged for AT&T shares. Holders of shares of TCI convertible preferred stock will receive the same number of shares of AT&T common stock or New Liberty Media Group tracking stock in the merger as they would receive if they were to convert their shares of preferred stock into shares of TCI Group tracking stock or Liberty Media Group tracking stock just before the merger. Shares of TCI Class B preferred stock will not be exchanged in the merger and will remain outstanding.

	Number of Shares of Preferred Stock	Exchange Ratio	Number of Shares of AT&T Common Stock	Number of Shares of New Liberty Media Group Tracking Stock	Cash Payment in Place of a Fractional Share
Series C—TCI Group	50	103.059502	5,152	—	\$68.26
Series C—Liberty Media Group	50	56.25	—	2,812	\$20.00
Series G	50	0.923083	46	—	\$10.79
Series H	50	0.590625	—	29	\$21.25

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What will happen to outstanding shares of AT&T common stock in the merger?

A: Nothing. Currently outstanding shares of AT&T common stock will remain outstanding with no change. After the merger, shares of AT&T common stock will reflect the combined assets and businesses of AT&T and the TCI Group.

Q: Is the merger taxable?

A: AT&T and TCI each expect the merger to be tax free. We have structured the merger so that our legal counsel will be able to deliver opinions that neither AT&T, TCI nor the TCI shareholders should recognize any gain or loss for U.S. federal income tax purposes in the merger, except with respect to any cash that TCI shareholders will receive instead of fractional shares. Receipt of these opinions is a non-waivable condition to completion of the merger. In addition, no gain or loss should be recognized by AT&T shareholders with respect to their AT&T shares as a result of the merger.

We describe the material U.S. federal income tax consequences of the transactions in more detail on page 57. The tax consequences to you will depend on the facts of your own situation. Please consult your tax advisors for a full understanding of the tax consequences to you of the merger.

Q: Am I entitled to appraisal rights?

A: It depends. Holders of AT&T common stock and holders of TCI common stock, of any class or series, are not entitled to appraisal rights in connection with the merger. Only holders of TCI convertible preferred shares will have appraisal rights. We describe the procedures for exercising appraisal rights in this proxy statement/prospectus and we attach the provisions of Delaware law that govern appraisal rights as Appendix G.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the first quarter of 1999. Because the merger is subject to governmental approvals, however, we cannot predict the exact timing.

Q: Should I send in my stock certificates now?

A: No. After we complete the merger, AT&T will send instructions to TCI shareholders whose shares were converted in the merger. These instructions will explain how to exchange your TCI share certificates for the appropriate AT&T share certificates.

Q: How do I vote?

A: Just mail your signed proxy card in the enclosed return envelope as soon as possible so that your shares may be represented at your shareholders meeting. AT&T shareholders may also vote by telephone or via the Internet, as we describe in this proxy statement/prospectus.

Q: Can I change my vote?

A: Yes. You may change your vote by delivering a later-dated, signed proxy card to your company's corporate secretary before your shareholders meeting, or by attending your shareholders meeting and voting in person. AT&T shareholders may also change their votes by telephone or via the Internet prior to the AT&T shareholders meeting.

Q: Whom can I call with questions?

A: If you have any questions about the merger or any related transactions, please call AT&T at (800) 947-9727 or TCI at (800) 888-9824. Information regarding AT&T and the merger is also available on the AT&T Investor Relations Home Page on the Internet at www.att.com/ir.

If you would like copies of any of the documents we refer to in this proxy statement/prospectus, you should call AT&T at (800) 348-8288 if the documents relate to AT&T, or call TCI at (800) 888-9824 if the documents relate to TCI.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus, and may not contain all of the information that is important to you. To better understand the merger and the Liberty/Ventures combination, and for a more complete description of the legal terms of these transactions, you should read this entire document carefully, as well as those additional documents to which we refer you. See "Where You Can Find More Information" on page 19.

The Companies

AT&T Corp.

32 Avenue of the Americas
New York, New York 10013-2412
Tel: (212) 387-5400

AT&T is among the world's communications leaders, providing voice, data and video telecommunications services to large and small businesses, consumers and government entities. AT&T and its subsidiaries furnish regional, domestic, international, local and Internet communication transmission services, including cellular telephone and other wireless services.

Following the merger, AT&T will be divided into two groups:

- "AT&T Common Stock Group," which will consist of the combined assets and businesses of AT&T and the TCI Group; and
- "New Liberty Media Group," which will consist of the combined Liberty Media Group and the TCI Ventures Group, except for certain assets that the TCI Ventures Group transfers to the TCI Group prior to the merger. Current AT&T shareholders will not obtain any economic participation in the New Liberty Media Group by their ownership of AT&T common stock.

Tele-Communications, Inc.

Terrace Tower II
5619 DTC Parkway
Englewood, Colorado 80111-3000
(303) 267-5500

TCI, through its subsidiaries and affiliates, engages principally in the construction,

acquisition, ownership and operation of cable television systems and the provision of satellite-delivered video entertainment, information and home shopping programming services to various video distribution media, principally cable television systems. TCI also has investments in cable and telecommunications operations and television programming in certain international markets, as well as investments in companies and joint ventures involved in developing and providing programming for new television and telecommunications technologies.

TCI is currently divided into three groups:

- "TCI Group," which consists principally of TCI's domestic cable assets;
- "Liberty Media Group," which consists principally of TCI's programming assets; and
- "TCI Ventures Group," which consists of TCI's principal international assets and businesses and its non-cable and non-programming assets.

The Proposed Transactions (see page 23)

The transactions will involve the following steps:

- **Liberty/Ventures Combination:** TCI plans to combine the Liberty Media Group and the TCI Ventures Group prior to the merger, and to reclassify each share of TCI Ventures Group Series A or Series B tracking stock into

0.52 of a share of Liberty Media Group Series A or Series B tracking stock. We refer to the combined groups as the "Liberty/Ventures Group." We refer to the Liberty Media Group tracking stock following this combination as "Liberty/Ventures Group tracking stock." We refer to the Liberty/Ventures Group following the merger, and after giving effect to the asset transfers that we describe below, as the "New Liberty Media Group."

- **Increased Authorization:** If the combination of the Liberty Media Group and the TCI Ventures Group is approved, TCI also plans to increase the authorized number of shares of Liberty Media Group tracking stock to 2.5 billion shares of Series A and 250 million shares of Series B.
- **Pre-Merger Asset Transfers:** Prior to the merger, the TCI Group will acquire from the Liberty/Ventures Group its ownership interests in At Home Corporation and Western Telecommunications, Inc., the shares of AT&T common stock now owned by the TCI Ventures Group and the business of National Digital Television Center, Inc. In exchange, the TCI Group will transfer to the Liberty/Ventures Group an aggregate of approximately \$5.5 billion in cash.
- **The Merger:** TCI will become a wholly owned subsidiary of AT&T. The aggregate value of the shares of AT&T common stock that AT&T will issue in the merger is approximately \$36 billion, based on the closing price of \$82.8125 per share of AT&T common stock on January 6, 1999.

The New Liberty Media Group tracking stock that AT&T will issue in the merger is not currently traded.

Assuming, however, that the value of this stock is equal to the value of Liberty Media Group tracking stock and TCI Ventures Group tracking stock for which it will be exchanged, the aggregate value of New Liberty Media Group tracking stock that AT&T will issue is approximately \$22 billion. This is based on the closing prices of \$45.8125 and \$45.875 per share for Liberty Media Group Series A and Series B tracking stock, and \$23.00 and \$22.75 per share for TCI Ventures Group Series A and Series B tracking stock, on January 6, 1999.

AT&T and TCI intend to proceed with the merger regardless of whether the proposals relating to the Liberty/Ventures combination are approved. In addition, TCI intends to proceed with the proposals relating to the Liberty/Ventures combination regardless of whether the merger with AT&T is approved.

AT&T's Reasons for the Merger (see page 30)

AT&T believes the merger will enable AT&T to create a broadband communications network that permits the delivery of a seamless bundle of communications, entertainment and information services. The merger also will accelerate AT&T's entry into, among other things, residential local telephony, and will position AT&T to become a fully integrated residential communications services provider in TCI service areas. Following the merger, AT&T expects to offer a wide array of consumer communications services—including local telephone, long-distance and wireless communications, cable television, dial-up, and Internet access services at a range of speeds—all under the AT&T brand name.

TCI's Reasons for the Merger (see page 34)

TCI believes that the merger offers the holders of TCI Group tracking stock an attractive premium for their shares, while enabling them to participate in the future growth potential of the combined businesses of AT&T and the TCI Group. TCI believes that the combination of the businesses of AT&T and TCI will result in a company that is better able to compete in the changing communications marketplace than either company would be able to alone.

In addition, TCI believes that the merger will provide significant benefits to the holders of Liberty/Ventures Group tracking stock because of AT&T's ability to accelerate the introduction of digital services and other consumer products that may increase demand for programming services. TCI also believes that the merger will benefit holders of Liberty/Ventures Group tracking stock because the Liberty/Ventures Group will receive approximately \$5.5 billion in cash as a result of the asset transfers we describe above, and may use a U.S. federal tax loss carryforward that TCI estimates at \$1.6 billion at September 30, 1998 to offset its tax liabilities.

TCI's Reasons for the Liberty/Ventures Combination (see page 36)

TCI believes that the Liberty/Ventures combination is in the best interests of TCI, holders of TCI Ventures Group tracking stock and holders of Liberty Media Group tracking stock because of the complementary nature of the assets of the TCI Ventures Group and the Liberty Media Group and the management efficiencies that would result from the combination. In addition, TCI believes that holders of Liberty Media Group tracking stock will benefit from the combination because it will significantly increase the amount of publicly held assets of the Liberty Media Group, which will provide the Liberty Media

Group with additional flexibility in future financings and other transactions.

TCI's Reasons for the Increased Authorization (see page 36)

TCI believes that increasing the authorized number of shares of Liberty Media Group tracking stock will give TCI additional flexibility in structuring future transactions by making additional shares of capital stock available for issuance for general corporate purposes.

Opinions of Financial Advisors

AT&T (see page 40)

AT&T's financial advisors, Credit Suisse First Boston Corporation and Goldman, Sachs & Co., have each given a written opinion to AT&T's Board of Directors that, as of June 23, 1998, the exchange ratios for TCI common stock in the merger, taken as a whole, were fair to AT&T from a financial point of view. Each opinion is subject to the qualifications and limitations referred to in the opinion. We attach these opinions as Appendices D and E and we encourage you to read both opinions.

TCI (see page 44)

In deciding to approve the proposed transactions, the special committee of TCI's Board of Directors and the full TCI Board of Directors each considered the opinions of Donaldson, Lufkin & Jenrette Securities Corporation, TCI's financial advisor, that, as of the date of the opinions:

- the exchange ratios relating to the Liberty/Ventures combination were fair, from a financial point of view, to the holders of Liberty Media Group tracking stock and TCI Ventures Group tracking stock, other than those shareholders who are affiliates of TCI; and

- the exchange ratios in the merger were fair, from a financial point of view, to the holders of each series of TCI Group tracking stock and Liberty/Ventures Group tracking stock, other than those shareholders who are affiliates of TCI.

Each opinion is subject to the qualifications and limitations referred to in the opinion. We attach these opinions as Appendices F-1 and F-2 and we encourage you to read them.

The Merger

Agreements (see page 67)

We have attached the merger agreement, which is the legal document that governs the merger, as Appendix A, and we have attached the proposed AT&T charter amendment to create the New Liberty Media Group tracking stock as Appendix B. We encourage you to read these documents. We have also filed other related agreements as exhibits to AT&T's registration statement. Please see the section titled "Where You Can Find More Information," on page 19, for instructions on how to obtain copies of these exhibits.

Conditions (see page 77)

We will complete the merger only if certain conditions are satisfied or waived, including the following:

- approval by the AT&T and TCI shareholders;
- clearance under antitrust laws and consent from the Federal Communications Commission, in each case, without restrictions or conditions that would materially adversely affect the companies or groups within the companies;
- opinions of tax counsel that the merger and related transactions should be non-taxable for U.S. federal income tax purposes; and
- as a condition for AT&T, receipt of all other material authorizations and approvals, without restrictions or conditions that would materially adversely affect the companies.

Termination (see page 78)

The merger agreement may be terminated in the following circumstances:

- Either company may terminate the merger agreement if:
 - the merger is not completed by March 31, 1999, which date may be extended by either party first to June 30, 1999 and then to September 30, 1999 if necessary to obtain regulatory approvals;
 - a final and nonappealable order is issued enjoining or prohibiting the proposed transactions; or
 - shareholders of AT&T or TCI do not approve the merger proposals before March 31, 1999.
- AT&T may terminate the merger agreement if:
 - TCI's Board of Directors withdraws or changes its approval or recommendation of the merger agreement or the merger;
 - TCI fails to comply materially with its obligations in certain circumstances; or
 - shareholders of TCI who entered into a voting agreement regarding the merger breach their obligations.
- TCI may terminate the merger agreement if:
 - AT&T's Board of Directors withdraws or changes its approval or

recommendation of the charter amendment relating to creation of New Liberty Media Group tracking stock and the issuance of AT&T common stock and New Liberty Media Group tracking stock in the merger; or

—AT&T fails to comply materially with its obligations in certain circumstances.

AT&T and TCI may also mutually agree to terminate the merger agreement without completing the transactions.

Termination Fees (see page 79)

If the merger agreement is terminated because AT&T's Board of Directors withdraws its recommendation or AT&T's shareholders do not approve the AT&T charter amendment creating New Liberty Media Group tracking stock and the issuance of shares in the merger, AT&T must pay TCI a termination fee of \$1.75 billion. AT&T must also pay TCI a termination fee of \$1.75 billion if, under certain circumstances, the merger agreement is terminated because AT&T announces or completes a transaction that causes a regulatory delay in the merger beyond September 30, 1999.

If the merger agreement is terminated because TCI's Board of Directors withdraws its recommendation or TCI's shareholders do not approve the merger, TCI must pay AT&T a termination fee of \$1.75 billion.

Regulatory Matters (see page 60)

AT&T and TCI have made filings and taken other actions, and will continue to take actions, necessary to obtain approvals from U.S. and foreign governmental authorities in connection with the proposed transactions, including U.S. and foreign antitrust authorities and the Federal Communications Commission.

On October 2, 1998, the U.S. Department of Justice requested additional information from the companies under the Hart-Scott-Rodino Antitrust Improvements Act. On November 19, 1998, the parties substantially complied with the request, and, on December 9, 1998 the waiting period under the Act expired. On December 30, 1998, AT&T, TCI and the U.S. Department of Justice entered into a stipulation relating to TCI's investment in Sprint Corporation's PCS common stock. We expect to obtain all material required governmental approvals and complete the merger in the first quarter of 1999. We cannot be certain, however, that AT&T and TCI will obtain all required governmental approvals, or that we will obtain these approvals without conditions that would be detrimental to AT&T or TCI.

Accounting Treatment (see page 50)

AT&T will account for the merger as a purchase in accordance with generally accepted accounting principles.

NYSE Listing

AT&T will list the shares of AT&T common stock to be issued in the merger on the New York Stock Exchange. AT&T also expects to list the shares of New Liberty Media Group tracking stock to be issued in the merger on the New York Stock Exchange.

Ownership of Shares after the Merger

After giving effect to the merger, the former holders of TCI Group tracking stock, and TCI preferred shares convertible into TCI Group tracking stock, will hold about 19.4% of the outstanding AT&T common stock. This will represent about 18.5% of the voting power of all outstanding AT&T shares. The former holders of Liberty Media Group tracking stock, TCI Ventures Group tracking stock and TCI preferred shares convertible into Liberty Media Group tracking stock, will hold all of the outstanding shares of New Liberty Media Group tracking stock. This will represent approximately 4.7% of the voting power of all

outstanding AT&T shares. All percentages are as of September 30, 1998.

Interests of Officers and Directors (see page 50)

When considering the recommendations of AT&T's Board of Directors and TCI's Board of Directors, you should be aware that the officers and directors of AT&T and TCI may have interests and arrangements that may be different from your interests as shareholders. In particular, certain directors and/or executive officers of TCI have been granted options to purchase an aggregate of 5.5 million shares of Liberty Media Group Series A tracking stock and restricted stock awards aggregating 488,500 shares of TCI Group tracking stock. Such grants vest over time and are contingent upon the merger occurring. Completion of the merger will not cause any of these grants to vest early. Assuming that these grants were fully vested, and based on the closing prices of Liberty Media Group Series A tracking stock of \$45.8125 and AT&T common stock of \$82.8125 on January 6, 1999, these grants would be worth an aggregate of approximately \$45 million. In addition, Liberty Media Corporation has agreed to pay to Jerome H. Kern, a director and executive officer of TCI, immediately prior to the merger the sum of \$10 million for his services in negotiating the merger agreement and completing the merger. Further, officers and directors of TCI hold equity-related benefits, such as stock options, stock appreciation rights and restricted stock awards, the vesting and exercisability of which may accelerate upon certain termination events following the merger. In addition, certain persons, including officers and directors of TCI, will enter into tax protection agreements with TCI prior to the merger, which will protect such employees from the effects of certain U.S. federal excise taxes that may become payable upon certain termination events following the merger. We discuss these interests in this proxy statement/prospectus.

Vote Required

Approval of the AT&T proposal to create New Liberty Media Group tracking stock and to issue shares of AT&T common stock and New Liberty Media Group tracking stock in the merger requires the favorable vote of holders of a majority of the outstanding shares of AT&T common stock. Approval of the TCI proposal to approve the merger agreement requires the favorable vote of the holders of a majority of the total voting power of TCI Group tracking stock, Liberty Media Group tracking stock, TCI Ventures Group tracking stock, and TCI Series C-TCI Group and TCI Series C-Liberty Media Group preferred stocks, voting together as a single class. The voting power of the two series of TCI preferred stock is based on the voting power of the shares of TCI common stock into which the preferred stock is convertible.

Voting Agreement (see page 79)

John C. Malone, TCI's Chairman, and his wife, Leslie Malone, have agreed to vote the TCI shares they own or have the right to vote in favor of the merger. As of December 31, 1998, these shares represented approximately 47% of the total voting power of TCI shares entitled to vote on the merger. Dr. and Mrs. Malone have also agreed to vote these shares against any other takeover proposal. This obligation will continue for nine months following termination of the merger agreement, unless the merger agreement terminates for failure to receive specified regulatory approvals or unless AT&T breaches certain obligations in the voting agreement.

The Liberty/Ventures Combination and Increased Authorization

Charter Amendment

We have attached the proposed TCI charter amendments to reclassify TCI Ventures

Group tracking stock into Liberty Media Group tracking stock and to increase the number of authorized shares of Liberty Media Group tracking stock, to copies of the proxy statement/prospectus mailed to TCI shareholders, as Appendices H-1 and H-2. We encourage TCI shareholders to read the proposed amendments.

Completion

If TCI shareholders approve the Liberty/Ventures combination, TCI plans to effect the combination promptly following the TCI shareholders meeting. If the merger with AT&T is likely to be completed promptly after the TCI shareholders meeting, however, TCI may decide not to combine the groups prior to the merger and, instead, to have the combination occur as part of the merger. TCI intends to complete the combination regardless of whether the merger is approved or completed.

Vote Required

Approval of the Liberty/Ventures combination requires the favorable vote of:

- holders of 66⅔% of the total voting power of TCI Group tracking stock, Liberty Media Group tracking stock, TCI Ventures Group tracking stock, and TCI Series C-TCI Group and TCI Series C-Liberty Media Group preferred stocks, voting together as a single class; and
- holders of a majority of the total voting power of each of Liberty Media Group tracking stock and TCI Ventures Group tracking stock, each voting as a separate class of stock.

Approval of the increased authorization requires the favorable vote of holders of 66⅔% of the total voting power of TCI Group tracking stock, Liberty Media Group tracking stock, TCI Ventures Group tracking stock, and TCI Series C-TCI Group and TCI Series C-Liberty Media

Group preferred stocks, voting together as a single class.

Certain officers and directors of TCI have informed TCI that they intend to vote in favor of the Liberty/Ventures combination and the increased authorization. As of December 31, 1998, these officers and directors held approximately 43% of the voting power of Liberty Media Group tracking stock, approximately 51% of the voting power of TCI Ventures Group tracking stock, approximately 48% of the total voting power of all series of TCI common stock and approximately 48% of TCI common stock and TCI preferred stock entitled to vote on those proposals.

AT&T after the Merger

Capital Stock (see page 109)

After the merger, AT&T's capital stock will consist of AT&T common stock and two classes of New Liberty Media Group tracking stock—Class A and Class B. AT&T common stock will be designed to reflect the economic performance of all of AT&T other than the New Liberty Media Group. New Liberty Media Group tracking stock will be designed to reflect the economic performance of the New Liberty Media Group. The primary difference between the two classes of New Liberty Media Group tracking stock is that Class A will have one-tenth of a vote per share and Class B will have one vote per share.

How Tracking Stocks Work

As we describe above, AT&T will issue shares of New Liberty Media Group tracking stock in the merger. A tracking stock is a separate class or series of a company's common stock that is designed to reflect the economic performance of a group of assets or a specific business unit, division, subsidiary or equity investment. Holders of New Liberty Media Group tracking stock will be shareholders of

AT&T and not of Liberty Media Corporation, whose performance is tracked by New Liberty Media Group tracking stock. The terms of the tracking stock tie the economic value of the stock to the performance of the tracked business or subsidiary, rather than to the performance of the entire parent company. We describe the legal terms of New Liberty Media Group tracking stock in detail starting on page .

Management and Operations of AT&T after the Merger

Following the merger, AT&T's organizational structure will continue to evolve to improve efficiency and responsiveness to market demands. A centralized network group will handle day-to-day management of most of AT&T's network assets, including business and consumer long-distance and local and wireless assets. In addition to the network group, two other groups will be established: one to manage AT&T's cable assets and the other to manage AT&T's international assets. Similarly, a single business services group will manage marketing and sales for all business offers. In addition, initially, a centralized consumer marketing organization of the AT&T Consumer Services division will generally be responsible for overseeing the marketing and sales efforts of all products within the AT&T Consumer Services division. The consumer marketing organization's duties are expected to include (a) bundling products of the different groups, designing integrated service offerings, assuring technical compatibility of the offerings and establishing prices charged to the public for such offerings, (b) coordinating the marketing activities of the groups, and (c) seeking to enhance the efficient operation of each of the groups.

C. Michael Armstrong, Chairman and Chief Executive Officer of AT&T, will continue to have overall responsibility for all of these operations. John D. Zeglis, President of

AT&T, also will become chief executive of the consumer services group. Leo J. Hindery, Jr., President and Chief Operating Officer of TCI, will be responsible for all of AT&T's cable-based businesses and will head all cable activities, including investments in cable affiliates and development of cable telephony through partnerships and other investments. Daniel E. Somers, Senior Executive Vice President and Chief Financial Officer of AT&T, also will oversee AT&T's international investments and services. Robert Annunziata, President of Business Services of AT&T, will be responsible for the business services group; and Daniel R. Hesse, President and Chief Executive Officer of AT&T's wireless services business, will be in charge of wireless operations. Frank Ianna, President of Network Services of AT&T, will have direct responsibility for the network group; and David C. Nagel, President of AT&T Labs and Chief Technology Officer of AT&T, will oversee research and technology development.

Management of the New Liberty Media Group after the Merger

The current managements of the Liberty Media Group and the TCI Ventures Group will manage the New Liberty Media Group following the merger. Dr. Malone, TCI's Chairman, will be Chairman of the New Liberty Media Group. Robert R. Bennett, President and Chief Executive Officer of Liberty Media Corporation, will be President and Chief Executive Officer of the New Liberty Media Group, and Gary S. Howard, President of the TCI Ventures Group, will be Executive Vice President and Chief Operating Officer of the New Liberty Media Group.

Although, the assets and businesses of the New Liberty Media Group will be held by a wholly owned subsidiary of AT&T, the Board of Directors and management of Liberty Media Corporation, the primary operating unit of the New Liberty Media Group, will have control of